

Weber Mosquito Abatement District

Financial Statements and Independent Auditors' Report

December 31, 2006

Weber Mosquito Abatement District

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**Haynie &
Company**

Certified Public Accountants (a professional corporation)

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Weber Mosquito Abatement District

We have audited the accompanying financial statements of the government activities and each major fund of **Weber Mosquito Abatement District** (the "District"), as of and for the year ended December 31, 2006, which collectively comprise the District's basic financial statements as listed in the foregoing table of contents. These basic financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of **Weber Mosquito Abatement District** as of December 31, 2006, and the respective changes in financial position thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2007 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 2 through 5, are not a required part of the basic financial statements but are supplementary information required by Governmental Accounting Standards Board (GASB). We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Haynie & Co.

Ogden, Utah
May 17, 2007

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Weber Mosquito Abatement District
Management's Discussion and Analysis

Weber Mosquito Abatement District

Management's Discussion and Analysis

This discussion and analysis is intended to be an easily readable analysis of Weber Mosquito Abatement District's (the "District") financial activities and performance based on currently known facts, decisions, or conditions as of and for the year ended December 31, 2006.

Financial Highlights

- Total net assets were \$2,220,723
- Total net assets increased by \$16,909
- Total revenues were \$1,067,496
- Total revenues exceeded budgeted revenues by \$69,496
- Total expenses exceeded budgeted expenses by \$49,679
- Unrestricted net assets were \$950,930 or 42.8% to total net assets at December 31, 2006

Government-wide Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. Traditionally, separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds; however, the District is comprised of only the general fund.

Report Layout

Besides this Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, and the notes to the financial statements. The first two statements are condensed and present a government-wide view of the District's finances. Within this view, all of the District's operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic mosquito abatement services and administration. There are no business-type activities in the District. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the District.

Basic Financial Statements

The *Statement of Net Assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *Net Assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Governmental activities are reported on the accrual basis of accounting.

The *Statement of Activities* focuses on gross and net costs of the District's programs and the extent to which such programs rely upon general revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

Weber Mosquito Abatement District

Management's Discussion and Analysis (continued)

Table 1 - Net Assets

December 31	Governmental Activities	
	2006	2005
Assets:		
Current and other assets	\$ 1,581,758	\$ 1,521,002
Capital assets, net	754,455	757,363
Total assets	2,336,213	2,278,365
Liabilities:		
Current and other liabilities	115,490	74,551
Total liabilities	115,490	74,551
Net assets:		
Invested in capital assets	754,455	757,363
Unrestricted and undesignated	950,930	931,113
Reserved for capital projects	515,338	515,338
Total net assets	2,220,723	2,203,814
Total liabilities and net assets	\$ 2,336,213	\$ 2,278,365

Weber Mosquito Abatement District

Management's Discussion and Analysis (continued)

Table 2 - Changes in Net Assets

For the year ended December 31	Governmental Activities	
	2006	2005
General revenues:		
Property and motor vehicle taxes and fees	\$ 993,324	\$ 954,092
Investment earnings	51,290	35,809
Other revenue	22,882	3,900
Total revenues	1,067,496	993,801
Governmental activities:		
Mosquito abatement	1,010,446	962,104
Shop and building maintenance	21,849	17,495
Administration	18,292	14,410
Total governmental activities	1,050,587	994,009
Increase in net assets	16,909	(208)
Net assets, beginning of year	2,203,814	2,204,022
Net assets, end of year	\$ 2,220,723	\$ 2,203,814

Governmental Activities

The District's net cost for all governmental activity was \$1,050,587 for the year ended December 31, 2006. As shown in the statement of activities, essentially all of the District's activities are funded by property taxes paid by taxpayers. Accordingly, the District relies upon property taxes to finance its operations.

General Fund Budgetary Highlights

The District finalized its 2006 budget on December 12, 2005 in accordance with State law. Actual revenues exceeded budgeted revenues by \$69,496 while actual expenditures were \$49,679 greater than amounts budgeted. Accordingly, the District's revenues in excess of expenditures for the year ended December 31, 2006, were \$19,817.

Capital Assets

Capital assets for the District are those assets that are used in the performance of the District's functions. Capital assets include land, buildings and improvements, equipment, vehicles, and furniture and fixtures. Capital assets are recognized in the statement of net assets and, in accordance with GASB No. 34, are shown net of accumulated depreciation. During the year ended December 31, 2006, the District purchased \$61,445 and retired \$25,093 of capital assets. Depreciation expense of \$64,353, for the year ended December 31, 2006, is recognized in the Government-wide financial statements.

Weber Mosquito Abatement District

Management's Discussion and Analysis (continued)

Economic Forecast and Future Budget

The western part of Weber County which is served by the District continues to see significant growth in homes and new businesses. The advent of the West Nile Virus in the area has raised the concern of those served by the district. To meet the increasing demands placed on the District, additional employees and related training may be required, along with additional equipment, pesticides and other mosquito control devices. Economic growth, in the form of property taxes and fees from increased building and business should allow the District to finance the increasing expenditure demands.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director, Mr. Bruce Bennett, 505 West 12th Street, Ogden, UT, 84404.

Weber Mosquito Abatement District

Statement of Net Assets

	Governmental Activities
December 31	2006
Assets:	
Cash and cash equivalents	\$ 1,571,152
Prepaid expenses	10,606
Capital assets not subject to depreciation:	
Land	3,114
Capital assets net of accumulated depreciation:	
Buildings and equipment	616,586
Furniture and fixtures	22,291
Vehicles	112,464
Total assets	\$ 2,336,213
Liabilities:	
Accounts payable	\$ 9,175
Payroll liabilities	6,315
Employee benefits	100,000
Total liabilities	115,490
Net assets:	
Invested in capital assets	754,455
Capital projects	515,338
Unrestricted and undesignated	950,930
Total net assets	2,220,723
Total liabilities and net assets	\$ 2,336,213

See accompanying notes to financial statements.

Weber Mosquito Abatement District

Statement of Activities

For the Year Ended December 31, 2006

	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Government Activities
Functions and Programs					
Governmental activities:					
Mosquito abatement	\$ 1,010,446	\$ -	\$ -	\$ -	\$ (1,010,446)
Shop and building maintenance	21,849	-	-	-	(21,849)
Administration	18,292	-	-	-	(18,292)
Total primary government	\$ 1,050,587	\$ -	\$ -	\$ -	(1,050,587)
General revenues:					
Property taxes					993,324
Investment earnings					51,290
Other general revenue					22,882
Total general revenues					1,067,496
Increase in net assets					16,909
Net assets, January 1, 2006					2,203,814
Net assets, December 31, 2006					\$ 2,220,723

See accompanying notes to financial statements.

Weber Mosquito Abatement District

Governmental Funds Balance Sheet

December 31	2006		
	General Fund	Capital Projects	Governmental Funds
Assets:			
Cash and cash equivalents	\$ 1,055,814	\$ 515,338	\$ 1,571,152
Prepaid expenses	10,606	-	10,606
Total assets	\$ 1,066,420	\$ 515,338	\$ 1,581,758
Liabilities:			
Accounts payable	\$ 9,175	\$ -	\$ 9,175
Payroll liabilities	6,315	-	6,315
Employee benefits	100,000	-	100,000
Total liabilities	115,490	-	115,490
Fund balance:			
Unreserved - designated capital improvements	-	515,338	515,338
Unreserved and undesignated	950,930	-	950,930
Total fund balance	950,930	515,338	1,466,268
Total liabilities and fund balance	\$ 1,066,420	\$ 515,338	\$ 1,581,758

See accompanying notes to financial statements.

Weber Mosquito Abatement District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets

<hr/>	
December 31	2006
<hr/>	
Total fund balance	\$ 1,466,268
Total net assets reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore not reported in the funds	
	754,455
<hr/>	
Net assets of governmental activities	\$ 2,220,723
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See accompanying notes to financial statements.

Weber Mosquito Abatement District

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances

For the year ended December 31		2006	
	General Fund	Capital Projects	Governmental Funds
Revenues:			
Property taxes and fees	\$ 993,324	\$ -	\$ 993,324
Interest	51,290	-	51,290
Other general revenue	22,882	-	22,882
Total revenues	1,067,496	-	1,067,496
Expenditures:			
Mosquito abatement	1,007,538	-	1,007,538
Shop and building maintenance	21,849	-	21,849
Administration	18,292	-	18,292
Total expenditures	1,047,679		1,047,679
Excess of revenues over expenditures	19,817	-	19,817
Fund balance, beginning of year	931,113	515,338	1,446,451
Fund balance, end of year	\$ 950,930	\$ 515,338	\$ 1,466,268

See accompanying notes to financial statements.

Weber Mosquito Abatement District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended December 31		2006
Net changes in fund balances - total governmental funds		
Amounts reported for governmental activities in the statement of activities are different because:		
	\$	19,817
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is amount by which depreciation expense exceeded capital outlays in the current period		(2,908)
Change in net assets of governmental activities	\$	16,909

See accompanying notes to financial statements.

Weber Mosquito Abatement District

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund

For the year ended December 31				2006
	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues:				
Property taxes	\$ 998,000	\$ 998,000	\$ 993,324	\$ (4,676)
Interest	-	-	51,290	51,290
Other revenues	-	-	22,882	22,882
Total revenues	998,000	998,000	1,067,496	69,496
Expenditures:				
Wages and related taxes	577,500	577,500	599,914	(22,414)
Insecticide and field supplies	155,000	155,000	109,538	45,462
Health insurance	84,000	84,000	79,142	4,858
Retirement	80,500	80,500	81,384	(884)
Insurance	44,500	44,500	41,990	2,510
Other general expense	28,500	28,500	40,141	(11,641)
Gas and oil	16,000	16,000	24,963	(8,963)
Utilities	12,000	12,000	9,162	2,838
Capital outlays	-	-	61,445	(61,445)
Total expenditures	998,000	998,000	1,047,679	(49,679)
Excess of revenues over expenditures	-	-	19,817	19,817
Fund balance, beginning of year	931,113	931,113	931,113	-
Fund balance, end of year	\$ 931,113	\$ 931,113	\$ 950,930	\$ 19,817

See accompanying notes to financial statements.

Weber Mosquito Abatement District

Notes to Financial Statements

Note 1 - Organization and operation

The **Weber Mosquito Abatement District** (the "District") is a special taxing district that provides mosquito control through a comprehensive program of water management and source reduction in all areas of Weber County, Utah. It is governed by a board of trustees which is appointed by Weber County Officials.

Note 2 - Significant accounting policies

Financial Reporting Entity - For financial reporting purposes, the reporting entity includes all funds and authorities for which the District holds corporate powers. The Governmental Accounting Standards Board (GASB) in its Statement No. 14, The Financial Reporting Entity, has established criteria to consider in determining financial accountability. The criteria are: appointment of a majority of the voting members of an organizations governing board, and either (1) the District has the ability to impose its will on the organization, or (2) there is potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District.

These financial statements represent the Weber County Mosquito Abatement District, the primary government. The District is a legally separate entity which possesses the power to tax and assess fees on property. Weber County exercises no significant controlling powers over the District. Accordingly, the District is not a component unit of Weber County. Further, the District has no component units; it has not created any separate political subdivisions and does not exercise any political or financial control over any other entity.

Basis of presentation - government wide and fund financial statements - Government wide financial statement are comprised of the statement of net assets and statement of activities. They contain information on all of the activities of the primary government. Most effects of inter-fund activities have been eliminated from these statements.

The statement of activities is presented to show the extent that program revenues of a given activity support direct expenses. Direct expenses are those that can be clearly associated with an activity or program. Program revenues include charges to customers or others who directly benefit from the program, grants or other contributions that are restricted to the operations or capital needs of the specific activity. General revenues are those revenues like taxes that are not properly reported as program revenues.

Measurement focus and basis of accounting - *Government wide financial statements* are reported using the economic resources measurement focus which shows net assets and liabilities on the statement of net assets, and changes to net in the statement of activities. The government wide financial statements are reported using the accrual basis of accounting.

Weber Mosquito Abatement District

Notes to Financial Statements (continued)

Note 2 - Significant accounting policies (continued)

Measurement focus and basis of accounting (continued) - All *Governmental Funds* are accounted for using the current financial resource measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available, within 60 days of the end of the year, as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash. General property taxes, self-assessed taxes, and investment earnings are recorded as earned (when they are measurable and available). Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, prepaid expenses, and other long-term obligations, which are recognized when paid.

Budget and budgetary accounting - The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles. An annual budget is prepared and adopted by the Board of Directors on or before December 15 for the fiscal year commencing the following January 1, in accordance with State law. The operation budget includes proposed expenditures and the proposed sources of financing for such expenditures. Prior to December 15, a public hearing is conducted to obtain taxpayer input. A budget is adopted and control of budget appropriations is exercised, under State law, at the department level. Budget amendments are required to increase the expenditure budget. The General Fund budget is prepared using the modified accrual basis of accounting.

Expenditures - Expenditures are recognized in the accounting period in which the fund liability is incurred. Insecticides and supplies are stated at cost using the first-in, first-out (FIFO) method. Purchases are recorded as assets when purchased and expensed when consumed.

Cash and cash equivalents - Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition.

Property taxes revenues and fees - Property taxes attach as an enforceable lien on property as of January 1 of the year following levy. Taxes are levied in early fall and are payable by November 30th and become delinquent on December 31st. Collections of the county taxes and remittance of them to the Districts are accounted for in the Treasurer's Tax Fund. County property tax revenues are recognized when levied to the extent that they result in a current receivable. The collection of 2006 property taxes, including delinquent collections, have been apportioned by the County Treasurer and included as 2006 revenues.

Capital assets - Capital assets are valued at historical costs, or estimated historical costs for assets where actual historical cost was not available. Repairs and maintenance is expensed as it is incurred. Capital assets are being depreciated using the straight-line methods with buildings and improvements being depreciated over 40 years, and equipment, vehicles and furniture and fixtures over estimated lives of from five to seven years.

Weber Mosquito Abatement District

Notes to Financial Statements (continued)

Note 2 - Significant accounting policies (continued)

Management estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 3 - Deposits

Deposits and investments for the District are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council ("the Council"). Following is a discussion of the District's exposure to various risks related to its cash management activities.

Custodial Credit Risk - Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the District to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting requirements of the Act and adhering to the rules of the Utah Money Management Council. As of December 31, 2006, the District's total cash on deposit with a local financial institution was \$1,571,152, of which \$1,471,152 was uninsured and uncollateralized.

Note 4 - Capital assets

The following schedule summarizes the changes in capital assets for the District for the year ended December 31, 2006:

	December 31		2006	
	Beginning	Additions	Deletions	Ending
Land	\$ 3,114	\$ -	\$ -	\$ 3,114
Buildings and equipment	777,362	7,900	-	785,262
Furniture and fixtures	158,871	-	-	158,871
Vehicles	243,828	53,545	25,093	272,280
Total capital assets	1,183,175	61,445	25,093	1,219,527
Less accumulated depreciation	425,812	64,353	25,093	465,072
Net capital assets	\$ 757,363	\$ (2,908)	\$ -	\$ 754,455

Weber Mosquito Abatement District

Notes to Financial Statements (continued)

Note 5 - Retirement plans

Plan description - The District contributes to the Local Governmental Noncontributory Retirement System, for employers with Social Security coverage, which is a cost-sharing multiple-employer defined benefit pension plan administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustment, and death benefit to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Noncontributory Retirement System, Public Safety Retirement System for employers with Social Security coverage, and Firefighters Retirement System which are for employers with Social Security coverage. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102, or by calling 1 (800) 365-8772.

Funding policy - the District is required to contribute 11.09 percent from January 2006 to June 2006 and 11.59 percent from July 2006 to December 2006 of employees annual covered salary to the Local Governmental Noncontributory Retirement System. The contribution rates are actuarially determined and are authorized by statute and specified by the Board. The District's contributions to the Noncontributory Retirement System for December 31, 2005 were \$51,949. The

The District also sponsors a retirement plan under Internal Revenue Code Section 401(k) for eligible employees. The assets of the plan are held by the Utah State Retirement System in trust for the exclusive benefit of the participants or their beneficiaries and are not assets of the District. As such, the asset and fund balance are not included on the balance sheet. The District's contributions to the contributory retirement system for December 31, 2006 were \$25,214. The amount of employees' deferred compensation and contributed to the contributory retirement system on their own behalf for December 31, 2006 was \$3,900.

Weber Mosquito Abatement District

Supplemental Reports and Schedules



**Haynie &
Company**

Certified Public Accountants (a professional corporation)

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

To the Board of Trustees
Weber Mosquito Abatement District

We have audited the financial statements of **Weber Mosquito Abatement District** (the "District") as of and for the year ended December 31, 2006, and have issued our report thereon dated May 17, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control. We believe that the following deficiencies constitute material weaknesses:

There is a lack of segregation of duties in the accounting function due to the size of the organization limits the number of administrative staff. In addition, there is no individual on staff that possesses the expertise of financial accounting and reporting to properly select and apply accounting principles required for the District to ensure conformity with generally accepted accounting principles.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 06-01 and 06-02.

This report is intended solely for the information and use of the Board of Trustees, management, others within the District, and applicable oversight agencies and is not intended to be and should not be used by anyone other than these specified parties.

Haynie & Co.

Ogden, Utah
May 17, 2007



**Haynie &
Company**

Certified Public Accountants (a professional corporation)

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**REPORT ON LEGAL COMPLIANCE APPLICABLE TO UTAH STATE LAWS AND
REGULATIONS**

To the Board of Trustees
Weber Mosquito Abatement District

We have audited the financial statements of **Weber Mosquito Abatement District** (the "District") for the year ended December 31, 2006 and have issued our report thereon dated May 17, 2007.

Our audit also included test work on the District's compliance with those general compliance requirements identified in the Compliance Manual for Audits of Local Governments in Utah, including:

- Cash Management
- Purchasing Requirements
- Budgetary Compliance
- Other Compliance Requirements
- Truth in Taxation and Property Tax Limitations
- Special Districts

The District did not receive any major or nonmajor State grants during the year ended December 31, 2006.

The management of the District is responsible for the District's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying schedule of findings. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the District complied, in all material respects, with the general compliance requirements identified above for the year ended December 31, 2006.

Haynie & Co.

Ogden, Utah
May 17, 2007

Weber Mosquito Abatement District

Schedule of Findings

For the year ended December 31, 2006

Finding No. 06-01:

Statement of Condition:	The proper amount of fidelity bond coverage was not obtained in accordance with the State of Utah Legal Compliance Guide.
Criteria:	Fidelity bond coverage is \$66,000 when the coverage should be approximately \$70,000 based on budgeted revenues according to the State of Utah Legal Compliance Guide.
Effect:	District is approximately \$4,000 under insured on the fidelity bond.
Cause:	Management did not update coverage to meet requirements for 2006 budgeted revenues.
Recommendation:	Management should increase fidelity bond coverage.
Management Response:	Management agrees and is in the process of obtaining the proper amount of fidelity bond coverage.

Finding No. 06-02:

Statement of Condition:	We noted one instance where a receipt was not deposited daily or within three banking days.
Criteria:	Receipts should be deposited daily or within three banking days, as required by Utah Code 51-4-2(2).
Effect:	The District is not in compliance with State law.
Cause:	Personnel responsible for making the deposit overlooked it.
Recommendation:	We recommend that personnel are reminded to follow already established procedures to assure that deposits are made in accordance with the compliance requirement.
Management Response:	Management concurs with the recommendation and will establish corrective procedures.

Prior Year Findings:

District's fidelity bond coverage was \$5,000 at December 31, 2005 when State law required coverage of \$66,000. This finding was corrected during the current fiscal year.



**Haynie &
Company**

Certified Public Accountants (a professional corporation)

5974 South Fashion Pointe Dr., Suite 200 South Ogden, Utah 84403 (801) 479-4800 Fax (801) 479-8941

May 17, 2007

To the Board of Trustees:
Weber Mosquito Abatement District

In planning and performing our audit of the financial statements of Weber Mosquito Abatement District (the "District") for the year ended December 31, 2006, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the following deficiencies constitute material weaknesses:

There is a lack of segregation of duties in the accounting function due to the size of the organization limits the number of administrative staff. In addition, there is no individual on staff that possesses the expertise of financial accounting and reporting to properly select and apply accounting principles required for the District to ensure conformity with generally accepted accounting principles.

This report is intended solely for the information and use of the Board of Trustees, management, others within the District, and applicable oversight agencies and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to be of service to Weber Mosquito Abatement District. If you have any questions please do not hesitate to contact us.

Very truly yours,

A handwritten signature in cursive script that reads "Haynie & Co.".

Haynie & Company